



Ministry
of
Revenue

Lorne Maeck
Minister

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Deputy Minister

Retail Sales Tax Branch

Information Bulletin

Retail Sales Tax Act

Government
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Pour obtenir cette publication en français, veuillez communiquer avec votre
bureau régional de la Taxe de vente au détail.

This bulletin provides information to vendors on impending changes in the administrative procedures and The Regulations under The Retail Sales Tax Act.

The information in this bulletin has been condensed from The Retail Sales Tax Act and Regulations. For greater certainty in specific applications reference should be made to these sources.

Specific details on any of the topics discussed and additional copies of this bulletin may be obtained from your local Retail Sales Tax District Office, listed overleaf.

INFORMATION HIGHLIGHTS

- EXEMPT PURCHASES – STATUS INDIANS ON RESERVES
- EQUALIZATION OF INTEREST RATES AT 12%
- EXEMPTION – PRINTED INSTRUCTIONS FOR KNITTING AND CROCHETING
- NON-TOBACCO CIGARETTES
- NOTIFICATION OF BUSINESS CHANGE
- NUMBER OF FILING PERIODS REDUCED
- TAX BANKING



EXEMPT PURCHASES – STATUS INDIANS ON RESERVES

Effective September 1, 1980 status Indians on reserves will find it easier to obtain the exemption from tax provided for them in The Retail Sales Tax Act on their purchases of personal goods.

Currently, purchases of goods off a reserve, by a status Indian, for use on a reserve, are exempt from retail sales tax if the goods are delivered to a reserve by the vendor or the vendor's agent. As a result of this delivery requirement, some status Indians have not been able to obtain the full benefit of the exemption.

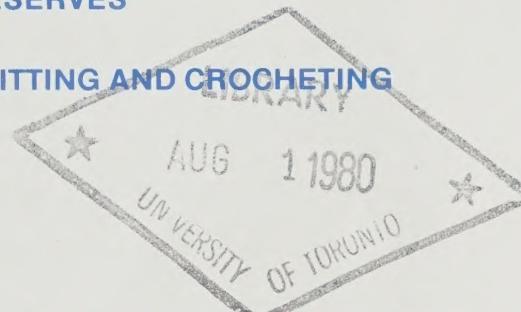
After August 31, 1980 the requirement for delivery of goods to a reserve by the vendor or his agent will be modified. A status Indian on a reserve will be able to purchase and take possession of personal goods off a reserve, exempt from retail sales tax. In order to obtain the exemption he will identify himself to the vendor by use of his Federal Identification Card.

The vendor will record the Federal Identification Card number, and the name and address of the Indian on the sale document or in a book, journal or diary form, along with the sales amount and a brief description of the goods sold. This enables the vendor to show that he was not required to collect tax on the sale.

As a temporary measure, while he awaits the issue of his Federal Identification Card, a status Indian may use a letter issued by his Band Council as a means of identification. This letter will show the name, address, number of the status Indian, and Band name.

There are some purchases by a status Indian which, by their very nature are entirely consumed off the reserve, and are taxable. Examples are:

- Prepared meals in excess of \$6.00
- Price of admission in excess of \$3.50
- Personal goods for premises maintained off a reserve.



A specimen of a Federal Identification Card is illustrated:

 Indian and Northern Affairs Affaires indiennes et du Nord	CERTIFICATE OF INDIAN STATUS CERTIFICAT DE STATUT D'INDIEN																
THIS IS TO CERTIFY THAT – LA PRÉSENTE ATTESTE QUE																	
DISTRICT																	
BAND – BANDE		NO. – N°															
IS AN INDIAN WITHIN THE MEANING OF THE INDIAN ACT, CHAPTER I-6 REVISED STATUTES OF CANADA 1970																	
EST UN INDIEN AU SENS DE LA LOI SUR LES INDIENS, CHAPITRE I-6 DES STATUTS REVISES AU CANADA, 1970																	
D 25731 BAND MANAGER/DISTRICT SUPERVISOR GERANT DE BANDE/SURVEILLANT DE DISTRICT																	
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">DATE OF BIRTH DATE DE NAISSANCE</td> <td style="width: 33%;">SEX – SEXE</td> <td style="width: 33%;">HEIGHT – TAILLE</td> </tr> <tr> <td>MARITAL STATUS STATUT MATRIMONIAL</td> <td>HAIR – CHEVEUX</td> <td>WEIGHT – POIDS</td> </tr> <tr> <td>COMPLEXION – TEIN</td> <td>EYES – YEUX</td> <td>DATE OF ISSUE DATE DE DELIVRANCE</td> </tr> <tr> <td colspan="3">SCARS, BIRTHMARKS, AMPUTATIONS CICATRICES, TACHES DE NAISSANCES, AMPUTATIONS</td> </tr> <tr> <td colspan="3" style="text-align: center;">SPECIMEN SIGNATURE – SIGNATURE DU TITULAIRE</td> </tr> </table>			DATE OF BIRTH DATE DE NAISSANCE	SEX – SEXE	HEIGHT – TAILLE	MARITAL STATUS STATUT MATRIMONIAL	HAIR – CHEVEUX	WEIGHT – POIDS	COMPLEXION – TEIN	EYES – YEUX	DATE OF ISSUE DATE DE DELIVRANCE	SCARS, BIRTHMARKS, AMPUTATIONS CICATRICES, TACHES DE NAISSANCES, AMPUTATIONS			SPECIMEN SIGNATURE – SIGNATURE DU TITULAIRE		
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SCARS, BIRTHMARKS, AMPUTATIONS CICATRICES, TACHES DE NAISSANCES, AMPUTATIONS																	
SPECIMEN SIGNATURE – SIGNATURE DU TITULAIRE																	
FINDER PLEASE RETURN, POSTAGE FREE, TO DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOP- MENT, OTTAWA.		QUICONQUE TROUVE LE PRESENT CERTIFICAT EST PRIÉ DE LE RETOUR- NER, FRANC DE PORT, AU MINISTÈRE DES AFFAIRES INDIENNES ET DU NORD CANADIEN.															
IA-238 (6-72) 7530-21-023-3673																	

A status Indian may still arrange for purchases made off a reserve to be delivered by the vendor to the Indian on the reserve. In this case, the vendor will be able to show that retail sales tax does not apply on such sales if they are supported by duly signed delivery slips or bills of lading.



EQUALIZATION OF INTEREST RATES AT 12%

Interest rates allowed on overpayments and rebates for taxes administered by the Ministry of Revenue are being increased to match the interest rates charged on taxes overdue. To equalize these rates, a uniform interest rate of 12% has been established. The new uniform rate of 12% takes effect on August 1, 1980 for all taxes, except corporations tax which is effective October 1, 1980 and provincial land tax which will be effective at a later date.

The equalizing of rates ensures taxpayers of the same rate of return on their money as they are obliged to pay for any tax indebtedness. Details of these changes from the old rates to the new equalized rate of interest are as follows:

Interest Payable by the Retail Sales Tax Branch

	TO JULY 31, 1980	ON AND AFTER AUGUST 1, 1980
Refunds for tax paid in error	6%	12%
Rebates of tax as prescribed by Regulations	6%	12%
Refunds to appellants on successful objection or appeal	9%	12%

Interest Due to the Retail Sales Tax Branch

	TO JULY 31, 1980	ON AND AFTER AUGUST 1, 1980
Underpayment of taxes	9%	12%



EXEMPTION—PRINTED INSTRUCTIONS FOR KNITTING AND CROCHETING

Purchases of patterns to be used for the making of clothing or wearing apparel are exempt from retail sales tax. Instructions for knitting and crocheting of clothing or wearing apparel are also exempt since they are included in the category of "patterns".

If a knitting or crocheting instruction book is for products other than clothing or wearing apparel, its tax status would have to be considered under the category of "books". As a book, it would remain exempt from tax provided it is printed and bound and contains no advertising by persons other than the publisher of the book.



NON-TOBACCO CIGARETTES

Retail sales tax does not apply to the use of tobacco products which are taxed under The Tobacco Tax Act. However, cigarettes made of ingredients other than tobacco periodically appear on the market. Retail sales tax at the rate of 7% is payable on the use of these non-tobacco cigarettes.

Since both types of product will likely be displayed and sold together, retailers are reminded of the necessity of collecting retail sales tax on the non-tobacco cigarettes.

BELLEVILLE K8N 1E3

208 Dundas Street East
962-9108
Zenith 71820

361 King Street West
528-8393
Zenith 71440

449 Belmont Ave. W.
576-8400
Zenith 71020

310 Wellington Rd.
433-3901
Zenith 62350

1500 Fisher Street
Northgate Plaza
474-4900

Toll Free 1-800-461-1564
Zenith 71420

HAMILTON L8P 1B4

ORILLIA L3V 6K5

KITCHENER N2M 1N2

OTTAWA K1H 8K7

LONDON N6C 4P4

SUDBURY P3E 5M7

NORTH BAY P1B 2H3

THUNDER BAY P7C 5G6

19 Front Street North P.O. Box 670

325-9587

Zenith 71830

1355 Bank Street

523-9760

Zenith 71400

Ontario Gov't. Building

199 Larch St.

675-4351

Zenith 71850

435 James Street South

P.O. Box 5000

Ontario Government Bldg.

475-1681

Zenith 72310

TORONTO M4P 1H6

2300 Yonge St. 10th Floor

487-7161

Zenith 71800

WELLAND L3B 3Z7

76 Division Street

732-1318

(in St. Catharines and
Niagara Falls, call
688-1360 or 688-1368)

Zenith 71410

WINDSOR N9A 6V9

250 Windsor Ave.

252-4404

Zenith 71450

FOR FURTHER INFORMATION CONSULT THE DISTRICT OFFICE IN YOUR AREA,

AS LISTED BELOW:

AS LISTED BELOW: